

paragraphs. Paragraphs 0074-0091 cited by the examiner describe in detail the operation of the “spoke” communication links to establish an anonymous transaction between a single service provider and the system server. There is no teaching or suggestion of any anonymous communication between any service providers.

In contrast, each of applicants’ independent claims defines certain buyer information being encrypted and communicated by a security server by way of a merchant server to another party to a transaction, under limitations where the merchant server cannot decrypt that certain buyer information. Thus, there are parties to a transaction (e.g., a “payment processor” and/or “delivery” server) who receive buyer information not from the security server directly, but rather by way of the merchant server (who cannot decrypt that information). This aspect of each of applicants’ independent claims 1, 12, 26 and 27 is simply not present in Tsuei, and thus, Tsuei does not provide a proper basis for the §102 rejection. That rejection should be reconsidered and withdrawn.

The Examiner has directed the Applicant to Tsiounis et al., Application Number 09/780,031, Pub. No. US2001/0039355 (“Tsiounis”). Tsiounis claims priority to provisional applications nos. 60/181,224 and 60/181,225, both filed February 9, 2000. For the reasons explained more fully below, Tsiounis too does not disclose buyer information being encrypted and communicated by a security server by way of a merchant server to another party to a transaction, under limitations where the merchant server cannot decrypt that certain buyer information. Consequently, Tsiounis does not anticipate the present invention. In addition, Tsiounis teaches away from the present invention by teaching that the Trusted Third Party retains the customer’s confidential payment information and acts as a payment processor that authorizes and executes payment to the merchant.

Tsiounis discloses customer computer 100, Trusted Third Party (“TTP”) 120, and Merchant Server 110, as shown in Fig. 1. TTP 120 may include Pan Server 130 and Payment Transaction (“PT”) server 140, as shown in Fig. 3. The TTP receives an instruction from the customer to pay the merchant, the instruction including confidential payment information of the customer such as a credit card number. (Tsiounis ¶s 012, 0042). The TTP creates a payment authorization notification (“PAN”) using a “PAN calculator” consisting of a digital signature of

the customer's confidential payment information. (Tsiounis ¶0048). The PAN does not include the customer's payment information. Rather, the customer's payment information is retained in the PAN server database. (Tsiounis ¶s 0046 – 0051 and Claim 1)

As shown in Fig.1 of Tsiounis, the customer computer 100 forwards the PAN to merchant server 110 (step 14). Merchant server 110 signs the PAN and submits the PAN to TTP 120 (step 15). TTP 120 authenticates the PAN and verifies the customer's confidential payment information that is stored with the TTP. "If the transaction information passes the proper validations, TTP 120 authorizes payment and executes payment to the merchant." (Tsiounis ¶0052 and Fig. 1). Thus, the TTP retains customer payment information rather than sending it to the merchant, and the TTP acts as a payment processor as well as a PAN server.

It is apparent from the foregoing that Tsiounis is completely different from the present invention. Tsiounis uses a hub-and-spoke architecture, wherein the TTP is the hub and the customers and merchants are the spokes. Confidential payment information is retained by the TTP, which plays dual roles of security server (creating the PAN) and payment processor. Confidential payment information is not sent by the TTP in any form to the merchant server; rather the merchant server receives a PAN consisting only of a digital signature attached to the particular transaction.

In contrast, the present invention does not utilize a hub-and-spoke architecture. In applicant's claims 1, 12, 26 and 27, all independent claims now under examination in the application, a security server receives buyer information. The security server encrypts customer payment information and passes the encrypted payment information to the merchant server. The merchant server cannot decrypt the payment information, but rather passes it, still in its encrypted form, to the payment processor system. The payment processor system is completely separate and different from the security server system. The security server system may play no role in payment processing. Thus, the present invention requires a linear architecture (from security server to merchant server to payment processor) rather than the hub-and-spoke system of Tsiounis.

Finally, Applicant notes that neither of Tsiounis' two provisional applications to which priority is claimed, provides support for Tsiounis' non-provisional application which is relevant

to applicant's claims, and further, does not teach or suggest buyer information being encrypted and communicated by a security server by way of a merchant server to another party to a transaction, under limitations where the merchant server cannot decrypt that certain buyer information. Consequently, Tsiounis does not constitute prior art regarding the present invention, and certainly does not provide a proper basis for any rejection of the applicant's pending claims.

CONCLUSION


The above amendments are believed to place the application in condition for allowance. For the above reasons, it is submitted that there now is no proper basis for the §112 and §103 rejections. Those rejections should be reconsidered and withdrawn. All claims 1, 3, 5-14, 26 and 27 are believed to be in condition for allowance. Passage to issue is requested.

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If the Examiner believes there are any outstanding issues to be resolved with respect to the above-identified application, the Examiner is invited to telephone the undersigned at their earliest convenience so that such issues may be resolved telephonically.

Respectfully submitted,
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